



Tenth Annual Finance Conference: DFAS-CL

***Office of the Assistant Secretary of the Navy
(Financial Management and Comptroller)***

ASN (FM&C) OFFICE OF FINANCIAL OPERATIONS Strategic Role in Financial Management

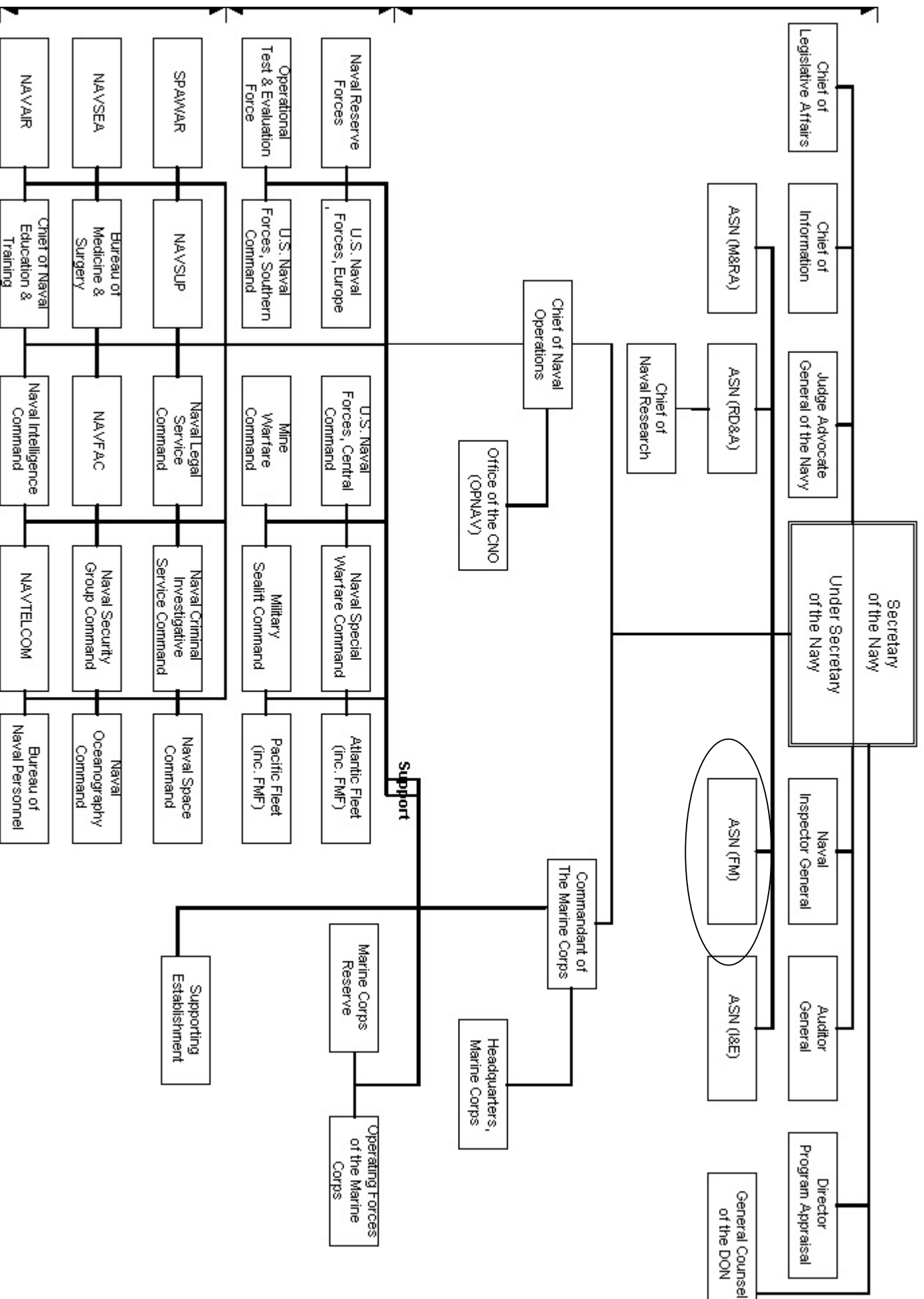
**CAPT Karl Bernhardt, SC, USN
28 March 2000**



TOPICS

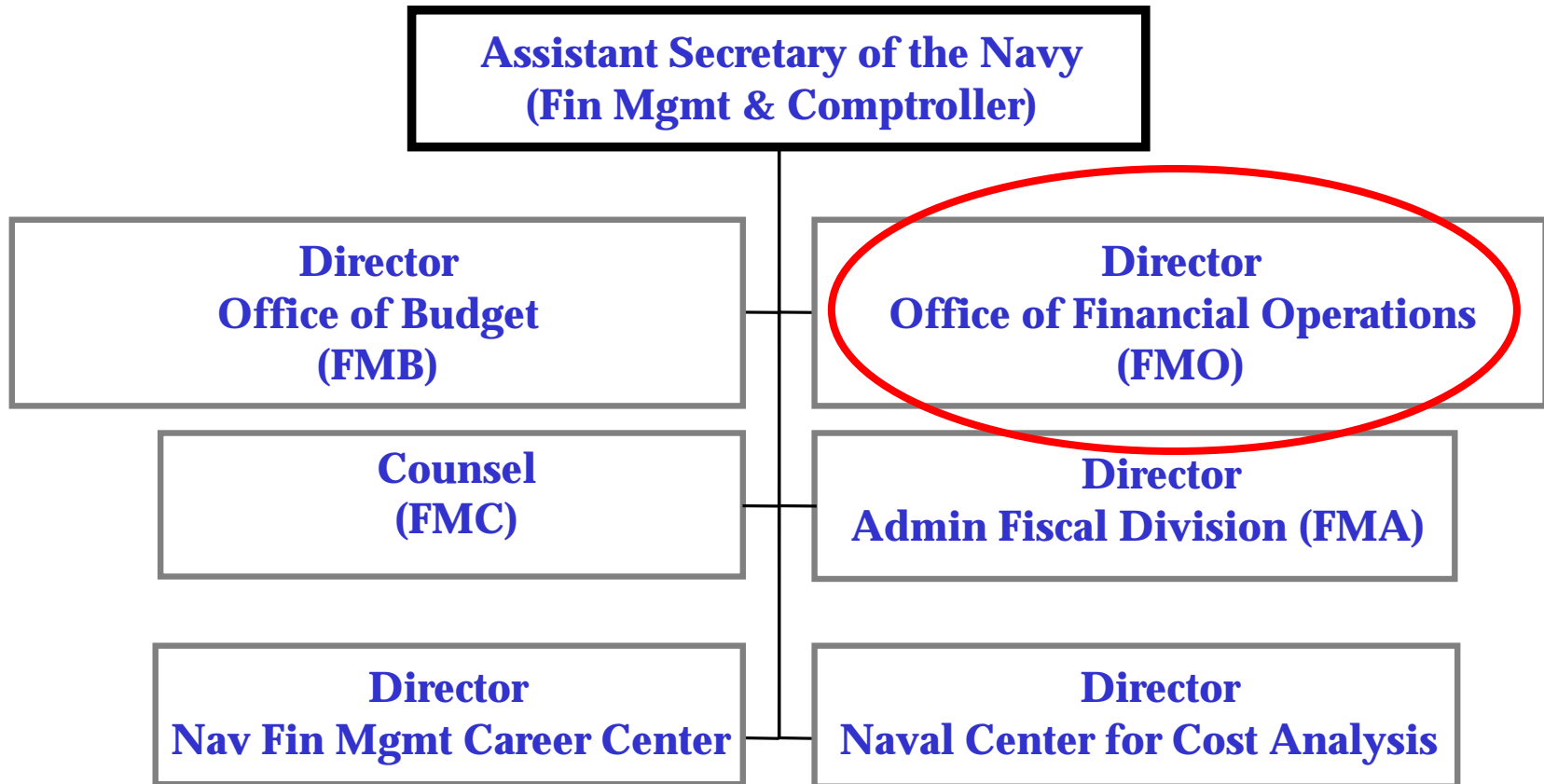
- **ASN (FM&C) Financial Management Operations (FMO) mission, roles and relationships**
 - **Oversight responsibility for military and civilian pay for DoN**
 - **ASN (FM&C) funded initiatives 1999 / 2000**
 - **Issues/Expectations**
 - **Your interests**
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Organizational Structure of the Department of the Navy





OFFICE OF THE ASST SECRETARY OF THE NAVY (Financial Management & Comptroller)





DFAS-DoN CENTERS AND OFFICES

Army

- DFAS - Indianapolis Center
- Finance & Accounting Oversight & Field Operations Division

Air Force

- DFAS - Denver Center
- Air Force Accounting & Finance Office

Navy

- DFAS - Cleveland Center
- (No on-site Service Representative)

Marine Corps

- DFAS - Kansas City Center
 - (No on-site Service Representative)
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EVOLUTION OF DFAS - DoN RELATIONSHIP

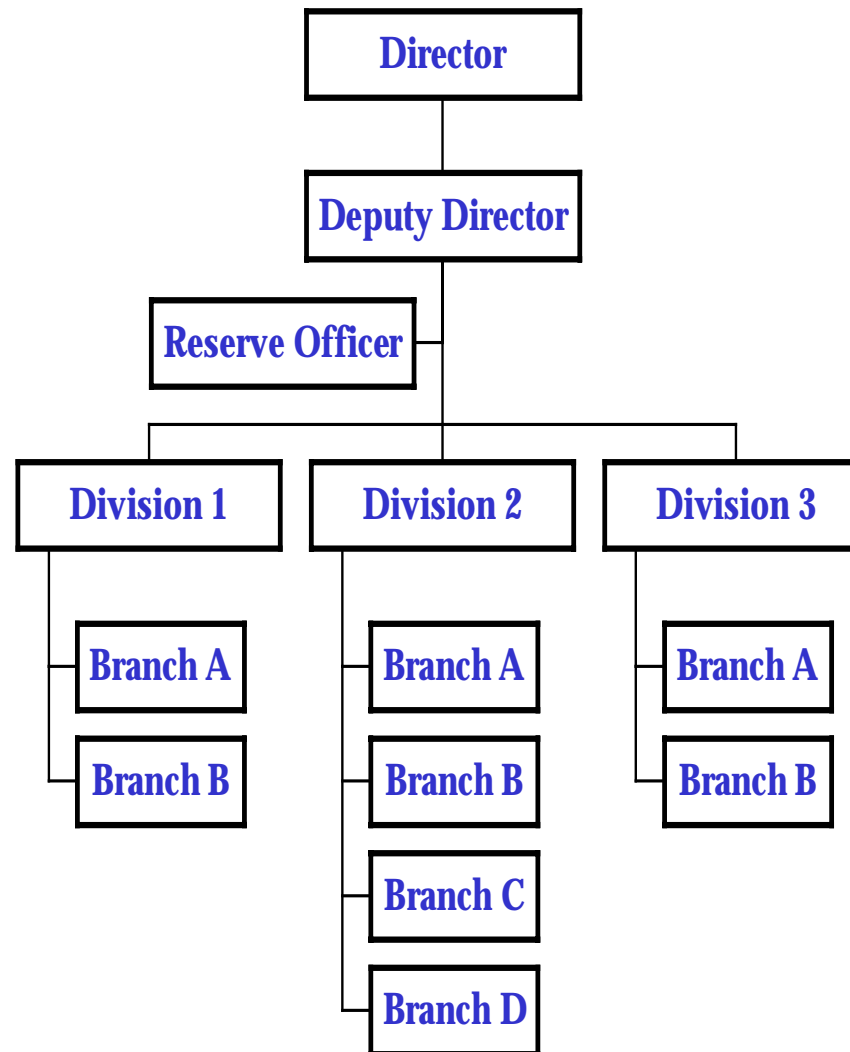
- **Pre-DFAS Capitalization: DoN FM Functions Decentralized**
 - **FAADCLANT/PAC; NAFC; NRFC; NFC-Cleveland**
 - **NFC Cleveland -- Mil Pay only**
 - **DFAS-CL is a consolidation of previously decentralized functions**
 - **DFAS-DE/DFAS-IN changed little when Capitalized**
 - **Accounting Functions (all General Fund/ Split NWCF) transferred**
 - **DON provides Strategic Vision and Oversight**
DFAS provides Finance & Accounting Service
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Restructuring Financial Operations for the Future & Strategic Sourcing



HOW WE WERE ORGANIZED



Traditional Organizational Structure



WHY DID WE NEED TO CHANGE?

- **More work than we could support**
 - **Work that was not in our main “business” line**
 - **Need to enhance our skill base**
 - **Need to be more flexible and innovative**
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OPERATIONAL CONCEPT

- **Strategy is to focus on outcomes vice activities**
 - **Clearly defined financial management outcomes for Department of the Navy**
 - **Articulate outcomes to commands/activities**
 - **Establish Contractual instruments as the key means to achieve outputs leading to the outcomes**
 - **Enable commands/activities to access contractual instruments with their resources to build synergy of focus & use command/activities as “staff extensions”**
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PRODUCT OF ANALYSIS PHASE

Core Services

- Accounting Policy
- Systems & Procedures
 - Cost Accounting
- Management Controls
- Process Improvements
- Performance Reports
- Financial Services

Core Competencies

- Education, Knowledge, Experience:
 - Cost & Managerial Accounting
 - Financial Systems Design, Development, & Implementation
 - Internal Controls

Attributes Include:

Flexibility & Adaptability

Critical Thinking

Multi-process Oriented

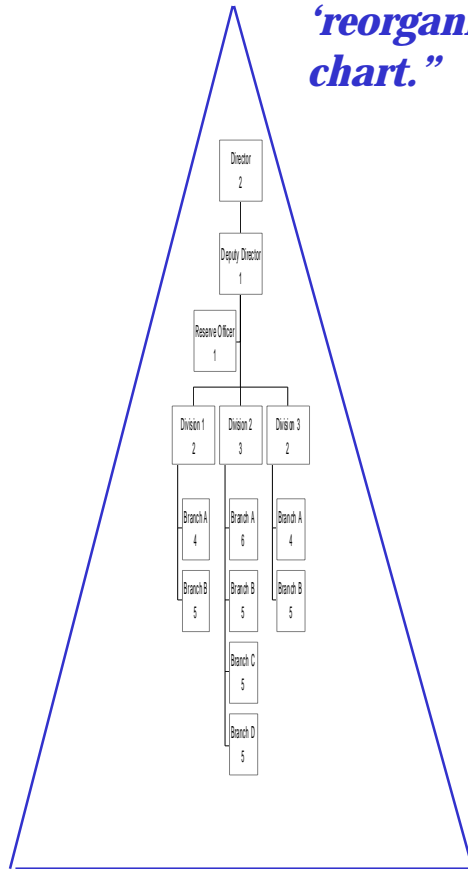
Technologically Adept

Innovative



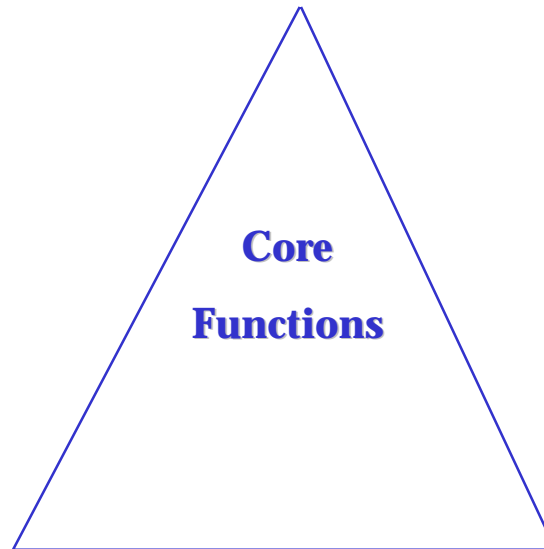
RESTRUCTURING the OFFICE of FINANCIAL OPERATIONS

“...restructuring an organization means altering its size, shape, work processes, and communications systems to meet new requirements. It is more than ‘reorganizing,’ [which is] simply shuffling boxes around on an organizational chart.”



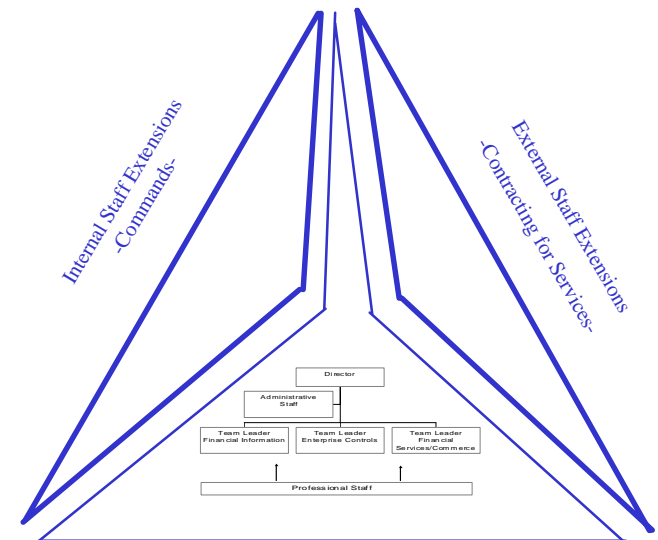
What we used to do

Old organization/old functions



What we do now

New organization/core functions



How we do it

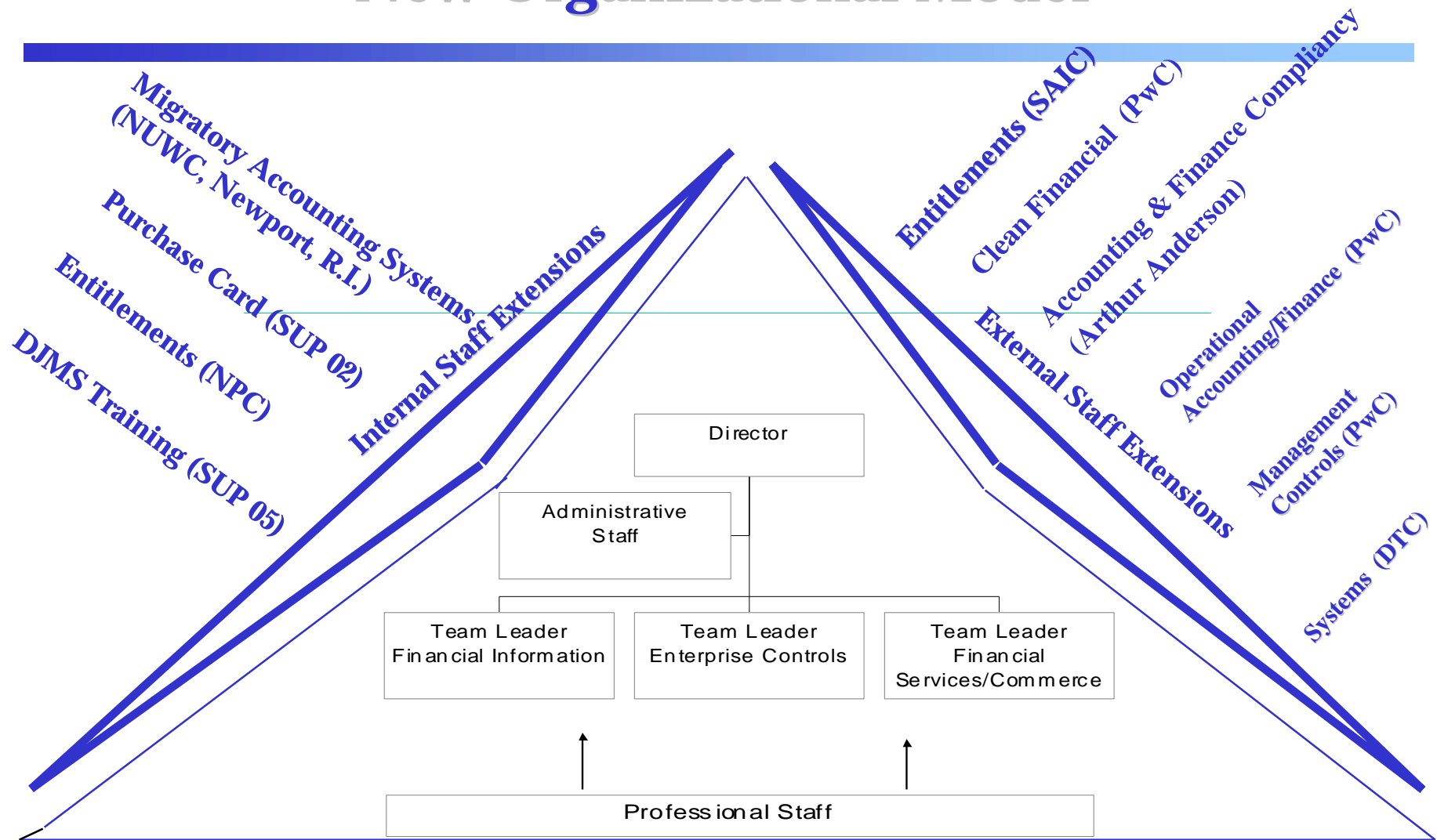


IMPLEMENTATION PHASE

- **Organization was authorized on 1 July 1999**
- **Transition to New Model is in Progress**
- **Employee involvement is needed given the challenges**



New Organizational Model



Outcomes:

- Unqualified opinion
- Compliant DON owned non-financial feeder systems
- DFAS owned compliant accounting & reporting systems
- Operational self-service systems/e-commerce
- Accurate & timely pay entitlements
- Strong Management Control Program
- Responsive Banking/Financial Services
- Effective DON accounting, reporting & disbursing operations



OVERSIGHT RESPONSIBILITY

- **Conducts internal DoN coordination on matters relating to pay and disbursing**
 - **Represents Navy pay interests to OSD, other military departments, DFAS, and all external agencies, including Treasury**
 - **Active involvement with systems migration and new systems development, including DIMHRS and NSIPS**
 - **Contact with systems Program Managers**
 - **Continual commitment to understanding pay issues in the field**
 - **Town Hall Meetings - summer 1999**
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ASN (FM&C) FUNDED INITIATIVES

- **Direct result of issues raised at Town Hall Meetings**
 - **Resources set aside for:**
 - **Personnel Pay Assistance Center (PPAC)**
 - **Defense Joint Military System (DJMS) training for military personnel**
 - **at DFAS-Cleveland**
 - **at homeports in San Diego and Norfolk**
 - **Shipriders for deploying battlegroups**
 - **DJMS System Change Requests**
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ASN (FM&C) FUNDED INITIATIVES

Personnel Pay Assistance Center (PPAC)

- **ASN - funded in spring 1999**
 - **Established summer 1999 in Millington, TN**
 - **Received over 23,000 calls/questions as of early March**
 - **97% resolution rate**
 - **Average resolution time is 4 days (pay impactive); 1 day for non-pay impactive calls**
 - **PPAC website: www.persnet.navy.mil/ppac**
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ASN (FM&C) FUNDED INITIATIVES

Defense Joint Military System (DJMS) Training for Military Personnel

- **Funded both Fleets for disbursing and personnel crewmembers scheduled to deploy**
 - **Completed in two phases in late 1999 / early 2000**
 - **at DFAS-Cleveland**
 - **at homeports in San Diego and Norfolk**
 - **Review underway to continue program**
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ASN (FM&C) FUNDED INITIATIVES

Military Pay Shipriders for Deploying Battlegroups

- **Support agreement (MOU) between DoN and DFAS to provide contract support aboard ship**
 - **Specifically trained to minimize pay problems related to DJMS**
 - **Currently underway with both USS Stennis/USS Bon Homme Richard BG/ARG and USS Eisenhower/USS Wasp BG/ARG**
 - **Support from DFAS-CL personnel invaluable**
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ASN (FM&C) FUNDED INITIATIVES

DJMS System Change Requests

- **Systemic pay problems major issue during Town Hall meetings**
 - **DoN coordination of System Change Requests (SCRs) and Fleet input imperative**
 - **High interest in providing resources to accelerate SCR implementation, where possible**
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ISSUES / EXPECTATIONS

- **Timely and accurate pay**
 - **under DJMS**
 - **improved functionality**
 - **improved reliability**
 - **improved DIMHRS Pay Module**
 - **Fleet perspective considered**
 - **earliest fielding for Navy/USMC**
 - **Proper migration strategies**
 - **NSIPS (active/reserve)**
 - **DMO (complete capture of UMIDS functionality?)**
 - **E/MSS**
 - **Security/privacy**
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YOUR INTERESTS

- **Continual monitoring of upcoming changes and expected benefits for ashore and afloat**
 - **Afloat Supply Department of the Future (ASDOF)**
 - **NSIPS deployment and training**
 - **DJMS Training**
 - **Beyond DJMS?**
 - **Better information dissemination**
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SUMMARY

Be Proactive

Think Strategically

Participate in Improving Pay Processes

Expect Results

